

# Contents

ST KILDA MARINA NEW LEASE

PROJECT APPROACH

DEVELOPING A VISION FOR THE REDEVELOPMENT OF THE	
ST KILDA MARINA	6
PROCURING A NEW LONG TERM LEASE	8
SUMMARY OF KEY TERMS AND OUTCOMES TO BE ACHIEVED	10
Lease snapshot	11
Key outcomes to be delivered through the new lease	12
Site vision and objectives	
Outcomes	14

I	D	F	n	E	V	F	П	n	D	M	I	-1	ď.	Т	r	n	N	r	F	D.	Т	D	ı	٨	N	(
п	Λ.	С.	u		v		L	u	_	Įv	10	-1	V		U	u	IV	u	С	г.		г	L	н	IV	R

Key views of Stage Two of the redevelopment	17
Marine Parade Promenade	19
Boat storage (as viewed from Marine Parade)	20
Peninsula	21
Civic Heart / Boat Ramp	22
Restaurant / Carpark	23
COMPARISON OF KEY ELEMENTS	24

29

**COMPLETED ENGAGEMENT ACTIVITIES** 

**AND OUTCOMES** 

Key views of Stage One of the redevelopment......16

# ST KILDA MARINA NEW LEASE PROJECT APPROACH

STAGE	KEY EVENTS AND Deliverables	DESCRIPTION	COMMUNITY AND STAKEHOLDER ENGAGEMENT
1. Planning for the project			
Dlanaire a few hours a present with the moun	Project objectives	Develop with Councillors to guide a robust process.	Introductory workshops with Councillors to set
Planning for how to proceed with the new lease project  March	Project approach	A plan to guide the project, underpinned by values of fairness and transparency and supporting ethical practice.	objectives for the process and start to explore opportunities and constraints for the site.
2. Identifying the site vision and objectives	12016		
	Opportunities and constraints paper	A compilation of research undertaken to identify what is possible for the site. It includes details of the current site, case studies, coasts and climate assessments as well as legislative, heritage and feasibility studies.	Inform the community and stakeholders of the commencement of the project through Divercity magazine, website and communication materials.
Investigating current conditions on site, within the leasing boundary (see site map). Improve understanding between Council, State Government and the community about what is preferred and what should be	Engagement plan	Sets out who, when and how Council will work and engage with to plan and deliver the project.	Present paper to Councillors and State
	Short-term lease extension	Extends the current lease to facilitate the procurement and transition period.	Government and seek feedback to inform site objectives and vision.
avoided.	Site vision and objectives	Describes the vision and objectives for the site, focusing on improved public benefit, environmental resilience, financial sustainability and urban design.	Consult the community and stakeholders on the opportunities and constraints for the site to inform the Site Vision and Objectives.
3. Setting the parameters	2010		
	Testing options	Options for the future development and operation of the site to be determined and assessed on urban design, planning social and environmental merits for their ability to deliver the vision and objectives. Undertake market sound.	
Developing feasible and deliverable options for the future of the site through an iterative process with Council, the community and stakeholders.	Design, leasing and legislative principles	An initial overview of financial, operating and leasing models, considered against the legislative context, to facilitate the mechanisms to deliver the vision and objectives.	Community, stakeholders and Councillors participate in an iterative engagement process to inform and test potential options for the site.
April	2019 Current lease expires	Short-term lease extension in place.	
April	Site brief	Describes the preferred outcome for the future of the site. Reflecting the iterative options testing process with Council, community and stakeholders.	
April	2019		

STAGE	April 2019	KEY EVENTS AND DELIVERABLES	DESCRIPTION	COMMUNITY AND STAKEHOLDER ENGAGEMENT
4. Planning for procurement	April 2019			
		Planning and legislative controls	Determine the Planning scheme Amendment process and suite of planning control. Undertake the Planning Scheme Amendment and seek Ministerial approval.	Consulting the community through a public
Determining the strategies and controls to facilitate the procurement process and deliver the preferred outcome for the site.		Delivery strategy	Confirms the model for delivering the preferred outcome for the site, including financial, operating and leasing models, balanced with legislative considerations.	exhibition of proposed Planning Scheme Amendment, inviting submissions to Council.  Release the delivery strategy to the community
	Luquet 2020	Tender documentation	Documentation developed to seek responses to the site brief, planning controls and delivery strategy, and sets the evaluation criteria for assessing tender responses	and stakeholders.
5. Procuring new lease/s	lugust 2020			
	July 2020 We are here	Tender process	A competitive process based on the procurement model established in Stage 4, with submissions assessed by a predetermined evaluation panel against agreed evaluation criteria.	Provide information and updates to the community and stakeholders during he procurement process, in line with probity requirements.
6. Delivering new lease/s	we are nere			
		Evaluation of new lease	The new lease arrangement is executed.	Seek and respond to, community feedback on the
: 2022		Transition	Depending on the lease arrangement there may be a transition period and changes to the site to deliver the preferred outcome.	proposed Design and Development Plan.

# DEVELOPING A VISION FOR THE REDEVELOPMENT OF THE ST KILDA MARINA

The 50-year lease for St Kilda Marina expired on 30 April 2019, presenting an exciting opportunity to reimagine the future of this site and unlock its full potential as a working marina and key destination for locals, Melburnians and national and international visitors.



Work to prepare for a new long-term lease for the St Kilda Marina has been underway since September 2016, when Council resolved to undertake a competitive selection process.

To ensure the full potential of the site is realised as part of a new lease arrangement, Council committed to a multi-stage community engagement program, working closely with the community at key stages of the project to understand and consider the community's values and aspirations for the local area and specifically for the site.

Key themes that emerged from engagement with the community included: less fencing; more welcoming to everyone; reduce conflict between pedestrians, bike riders and cars; protection of key views; more and higher quality public open space; protect and enhance local flora and fauna; provide year-round activation opportunities and a comparable number and type of commercial operators.

A 23-member Community Panel was established in 2018 to bring a focussed community voice with broad perspectives to the development of solutions for the future of the marina site. Community panel members worked with Council officers and technical advisors to develop a set of design criteria for the site.

The St Kilda Marina design criteria provide a framework for the future redevelopment of the St Kilda Marina site. They include guidance on the site's future form and function, the height, scale, location and massing of the new buildings and requirements for the location and quality of publicly accessible open space and connections.

Each of the design criteria has a role in delivering the place identity, social and cultural, economic, environmental and financial objectives for the site. During the Community Panel process there were clear areas of both agreement and contention. Adhering to best practice environmental standards was considered a 'no brainer' by Panel members and obtained early consensus. Another area of agreement was a sense that 'less is more'.

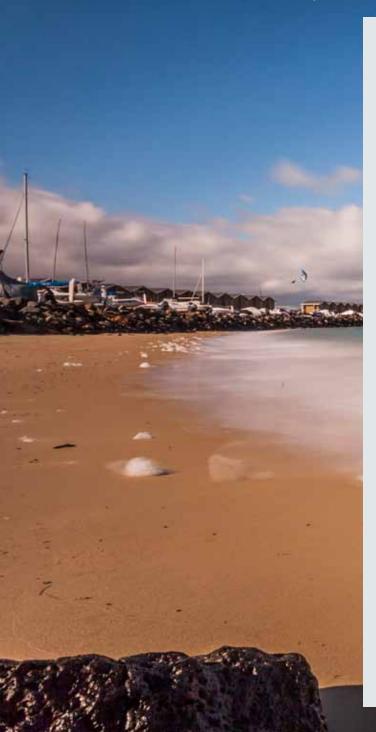
A strong majority of Panel members held a preference for low impact, high quality development. Members voiced fear of larger commercial development and the belief that this would irrevocably change the look and feel of the area, and impact negatively on the overall quality of experience.

The contentious areas predominantly related to the detail within the design criteria. While the majority of Panel members supported an increase in dry boat storage, the footprint (height and width) was the subject of much debate and Panel members maintained differing views throughout.

Similarly, the extent of commercial footprint on site was contentious, as was the type of potential commercial mix. The size, location and design of a carparking facility to support commercial development was also contentious.

Panel members were also divided on their level of comfort with the inclusion of a pedestrian bridge and agreed to let the market decide the viability of a bridge. Members indicated a trend towards a conservative and 'safer' approach to development on site, indicating that this was in response to managing the 'unknown'.





# PROCURING A NEW LONG TERM LEASE

# Procurement process

The procurement process for a new long term lease was approved by Council on 5 June, 2019 and had two stages - a publicly advertised invitation for Expressions of Interest (EOI), released on 8 June, 2019, and a Request for Proposal (RFP) approved by Council for release to a shortlist of tenderers on 18 September, 2019.

A two-stage evaluation process for Request for Proposal submissions began after the RFP submission period closed on 19 December. The purpose of Stage 1 of the evaluation process was to evaluate and recommend proposals to Council to proceed to Stage 2, the negotiation phase, and outline the broad framework and key points for refinement of the proposal/s. In this stage, Councillors had an opportunity to provide feedback on the design proposals.

The Evaluation Panel Report recommending proposal/s progress from Stage 1 Evaluation to Stage 2 Evaluation – Negotiation was endorsed by Council on 18 March 2020. This report also detailed the proposed negotiation strategy, which responded to Councillors feedback from the design presentations.

The purpose of Stage 2 Evaluation was to undertake a negotiation process. The negotiation stage provided the opportunity for Council to refine the Proposal/s to better suit Council's and the community's requirements as reflected in the Site Vision and Objectives and the evaluation criteria.

Following initial negotiations and proposal refinement, Councillors were presented with an opportunity to review the refined design and provide feedback. A detailed assessment was undertaken by the evaluation panel of the final refined proposal and an evaluation panel report detailing the process, assessment against the selection criteria and a recommendation was provided to Council for decision.

Stage 2 of the RFP evaluation was completed on Wednesday 15 July when Council resolved to appoint a preferred tenant for the St Kilda Marina, subject to Council completing the Section 190 process under the Local Government Act 1989, resolving to grant the lease and obtaining Governor in Council approval.

# Section 190 Leasing process

The Section 190 process is the normal leasing notification process undertaken by Council as a requirement under the Local Government Act 1989 for leases that are greater than 10 years or valued at greater than \$50,000. This process is not technically required here, as the lease will be approved under the St Kilda Land Act 1965, however, Council has elected to undertake this notification process in this instance for consistency and maximum transparency.

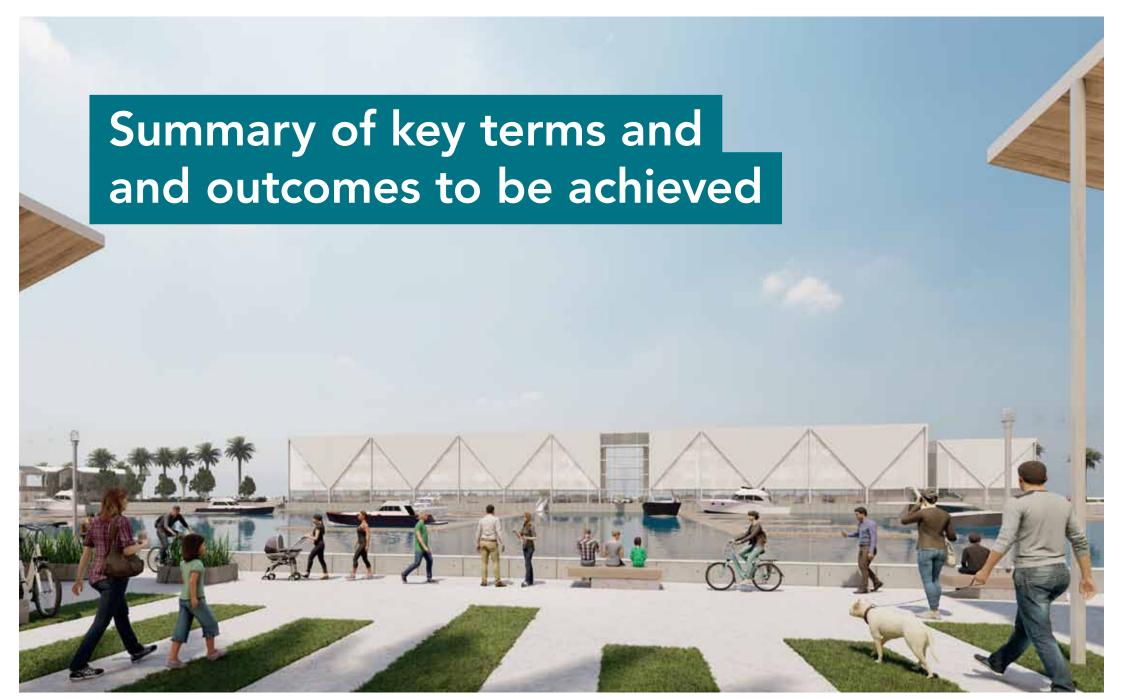
During the feedback period, the local community and other interested parties will have an opportunity to make a written submission on the key terms of the proposed lease. A verbal submission can also be made at the Council meeting on 2 September 2020, when Council considers the submissions received.

Council will consider any feedback received prior to making their final decision on the lease in a second public Council meeting 16 September 2020. If, on this date, Council decide to enter into a lease with the recommended party, the next step will be a recommendation to the Minster for consideration and then Governor in Council approval for the execution of the lease.

The resolution of the confidential report from 15 July has now been made public as part of the lease notification process, which formally began on Saturday 18 July 2020, with a notice posted in the Age. An email to Council's database of interested community members and other stakeholders has also been sent.

To find out more about the lease and how to make a submission, please go to portphillip.vic.gov.au/st-kildamarina.htm





# LEASE SNAPSHOT

New tenant: Australian Marina Development Corporation Pty Ltd (AMDC) has been selected as the preferred tenant for the long-term lease of the St Kilda Marina subject to Council complying with its obligations under sections 190 and 223 of the Local Government Act 1989 and resolving to grant the lease and obtaining Governor in Council approval.

**Lease term:** The lease term is for an initial 35 years with a further term of 15 years upon meeting agreed performance criteria.

**Total value:** In the order of \$160M. Includes: redevelopment (approximately \$25.3M for commercial and approximately \$5.4M for public realm for stage one works), asset maintenance and renewal (estimate of \$68M), rental for 50 years (approx. \$60.9M including CPI increases) and a series of community benefits from increased access to the site to specific opportunities to utilise/hire facilities at direct or no cost, over the lease period.

Rental income: A base rent of \$750,000 per annum with yearly indexation at CPI and market rent reviews commencing on the 10th anniversary of the commencement date and every five years thereafter. A rental discount applicable from the base rent of \$750,000 to \$134,000 for each of the first four years of the initial term to facilitate accelerated development of the site.

**Stage 1A and 1B redevelopment:** Investment of approximately \$31M in the first four years to deliver Stage 1A and 1B of the agreed redevelopment plan, including: a new dry store building with capacity for 300 boats and ancillary facilities; new wet berths re-oriented

to the peninsula side; a base level of public berthing infrastructure; a new Australian Volunteer Coast Guard facility; comprehensive refurbishment of the RIVA building; Marine Parade works to create a retail/food and beverage strip; peninsula works including landscaping and Beacon restoration; landscaping across the site; the Bay Trail and carparking upgrades.

**Future redevelopment:** Further redevelopment of the site in Stages 2 and 3 will be considered for approval by Council in future, including replacement of the petrol station site at the end of a 10-year period and a possible increase in dry storage to the maximum 400 boats.

### Bridge connecting Marina Reserve and the

**Peninsula:** Whilst a bridge wont be delivered by the new tenant, conditions have been incorporated in the lease that enable the inclusion of a bridge in the future should Council elect to design, deliver and fund it.

**Commercial footprint:** Slight increase in commercial space from 3,600m² to 3,745m² net lettable area, with potential for future expansion to the maximum of 5,000m2 dependent on demand and Council approval.

**Dry boat storage:** Consolidated and slightly increased boat storage capacity to 300 within a dry boat storage facility, with additional 100 capacity possible in future dependant on demand and Council approval.

**Public open space:** Provision of public open space to approximately 50 per cent of the site, well in excess of the Site Brief requirement for a minimum of 20 per cent, and the 4 per cent that is there now (excluding car parking). The fencing that currently restricts access

to the peninsula, along Marina Reserve and Marine Parade to be removed, with only a small area restricted to marina operations.

**Realignment of the Bay Trail:** Bay trail realigned to address conflicts between cyclists, pedestrians and cars.

Community access: Access for Council or a nominee of Council to activate open space on site for a minimum of 10 events/days at cost; 10 events / days at cost for the use by Council or a nominee of Council of the community facility (dates for both to be agreed 12 months in advance); and access to the community facility for a community use (as defined by Council) for a minimum 20 days/events per annum.

**Australian Volunteer Coast Guard:** The development of a fit for purpose facility for the Australian Volunteer Coast Guard, with tenure based on peppercorn rent.

**Public boat ramp:** Provision and maintenance of a public boat ramp and trailer parking.

**Repair of the seawall:** Upgrade of the sea wall to protect against storm surge and sea level rise, that will also provide natural habitats that encourage biodiversity.

Environmental outcomes: A range of environmental sustainability commitments, including waste management systems; low carbon, energy and water efficient building design and operations; bicycle facilities to exceed 5 Star Green Star; and Site predominantly powered by 100 per cent electricity with the provision of on-site renewable energy supply and solar power to a minimum of 50 per cent roof area.



# SITE VISION AND OBJECTIVES

A special place on the foreshore for everyone that welcomes a diversity of sustainable uses anchored by a working marina.

## Place identity

Develop the identity of St Kilda Marina through:

- Creating a destination along the bay trail that complements and strengthens the foreshore and local activity centres.
- 2. Creating welcoming and accessible spaces that strengthen connections to, through and within the site.
- 3. A scale of development that is appropriate to the context of the site.
- 4. Built form that respects the coastal open space and public views, and contributes to the character of the area.
- 5. Showcasing the foreshore and a working marina through innovative design.

## Social and cultural

Improve the social and cultural contribution of the site to the municipality through:

- Creating opportunities and flexible spaces for active and passive recreation, quiet enjoyment and culture, welcoming people to spend more time and build community connections.
- 2. Acknowledging history and heritage in design and place experience, including enhancing the existing place identity as a working marina.
- 3. Balancing the relationship between public and commercial uses across the site.

### **Economic**

Derive improved economic benefit from the site through:

- 1. Drawing people from within and outside Port Phillip with a unique offer on the foreshore for work and play.
- Creating a dynamic precinct with an effective mix of businesses and experiences, activating the site throughout the day and year.
- 3. Increasing St Kilda Marina's contribution to recreational boating in Victoria through improved infrastructure and services and increased opportunities for a range of water craft.
- 4. Viable businesses that provide ongoing employment opportunities on the site.

## **Environment**

Ensure a net positive environmental outcome for the site and surrounds through:

- 1. Protecting and seeking opportunities to enhance the natural environment.
- 2. Incorporating progressive environmentally sustainable design principles in built form and landside and waterside infrastructure and management.
- 3. Building resilience to climate change and considering coastal vulnerability.
- 4. Seeking opportunities to support the achievement of flood mitigation objectives for the area through an integrated water management approach.

### Financial

Achieve financial sustainability for the site by:

- Achieving an appropriate level of return for Council, proportionate to the level of commercial activity that considers other non-financial benefits derived for the community.
- 2. Flexibility in contractual arrangements that are responsive to future changes, challenges and opportunities.

# **OUTCOMES**

# Place identity

- Working marina showcased by placement of a variety of public open spaces and amenities where people can watch the marina operations, including through a transparent boat storage facility.
- Reorganised layout of site to consolidate parking and restricted operational areas to significantly improve the amount and quality of public space and improve connections to, through and within the site for pedestrians and bike riders.
- Carparking and other public spaces redesigned as flexible spaces that can be activated for a range of community events and activities year-round, such as events, festivals, markets, informal sports and recreation activities.
- Modest expansion in Stage One in terms of mix and scale of businesses to ensure viability and acceptable development outcomes. Potential for further expansion based on market conditions and council approval. Stage One includes slight increase in commercial area and a 300-boat storage facility.
- Realignment of the bay trail to address high conflict zones between bikes, pedestrians and cars and better pedestrian and bike paths through the site with the possibility of future additional bay trail link along the peninsula connected to the Marina Reserve side by a bridge, depending on future funding by Council.

## Social and cultural

- Significant investment in the provision of highly accessible open space and landscaping to approximately 50% of the site (excluding car parking) (current is 4%) and in excess of the Site Brief requirement for minimum of 20%.
- Public access and amenity provided along the peninsula for the first time, as well as along the boundary of Marina Reserve.
- Provision of a fit for purpose facility for the Australian Volunteer Coast Guard and retention and uplift of the public boat ramp facilities.
- Ability for Council or its nominee to activate public space on site for a minimum of 10 events/days at cost.
- Ability for Council to access community room on site for a minimum of 10 days at cost and the community 20 days.
- Removal of the petrol station in a staged manner to support redevelopment.
- Layout of site and design of new infrastructure reflects the history, heritage and place experience of the site and enhances it's existing identity as a working marina.
- A commitment to socially responsible employment and procurement practices including engagement of social enterprises and provision of employment opportunities for Indigenous and disadvantaged people.

### **Economic**

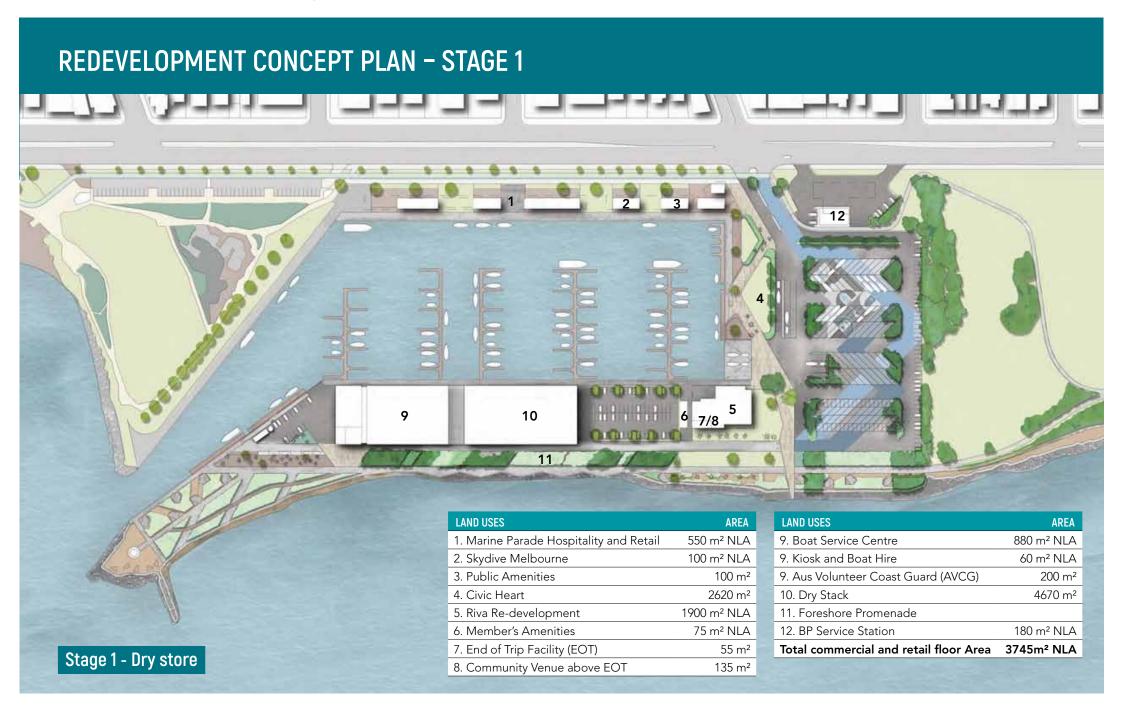
- Social and economic opportunities through a mix of businesses and experiences (balancing public and commercial uses) that activate the site and provide visitation and employment opportunities throughout the day and year.
- Renewed and improved public boating and marina services and infrastructure supporting local and Victoria wide recreational boating.
- A commitment to provide opportunities to local suppliers in the design, construction and operation of the site.
- Retention of skydiving on site.

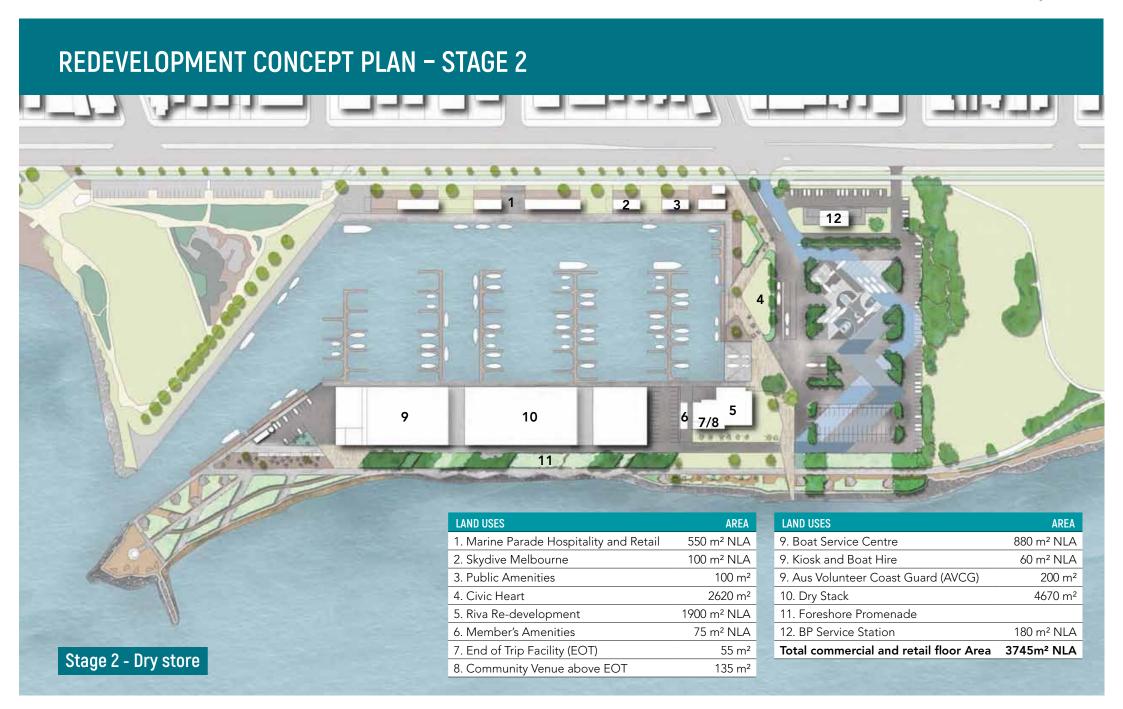
### **Environment**

- Significantly increased environmental sustainability outcomes for the site across a number of aspects, including waste management systems, low carbon, energy and water efficient building design and operations, bicycle facilities to exceed 5 Star Green Star, and Site predominantly powered by 100% electricity with the provision of on-site renewable energy supply and solar power to a minimum of 50% roof area.
- Protection and enhancement of the natural foreshore environment, building resilience to climate change and agreement to meet Council's targets as set out in Act and Adapt Sustainable Environment Strategy 2018-2028.
- A commitment to undertake accreditation within the first 12 months of being awarded the lease for ISO 9001 (Quality Management) and ISO 14001 (Environmental Management System).

### Financial

- Significantly more rental income than current (approximately 3 times more), relieving pressure on rates revenue for Council
- Investment of approximately \$31M in the first four years, with approximately \$25.3M for commercial and approximately \$5.4M for public realm for stage one works, to redevelop existing end of asset life assets, including repair of the seawall and public boat ramp.
- A professional and transparent approach to long-term asset management backed by a sinking fund, to ensure assets are maintained, renewed and upgraded appropriately. It is estimated that around \$68m will be spent on asset maintenance and renewal by the tenant over the life of the lease
- Contractual terms that ensure appropriate rental throughout the life of the lease, ensure assets are handed over to council in appropriate condition, require approval of detailed design and stage 2 and 3 development, provide flexibility for the future provision of a bridge.







# MARINE PARADE PROMENADE





# **BOAT STORAGE**(as viewed from Marine Parade)





# **PENINSULA**







# CIVIC HEART / BOAT RAMP





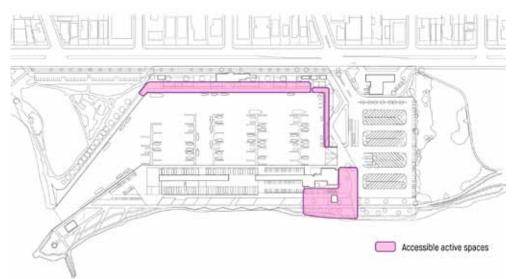
# HOSPITALITY VENUE / CARPARK



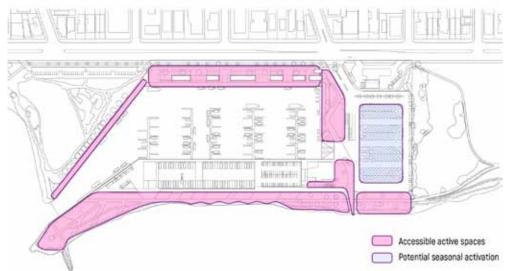




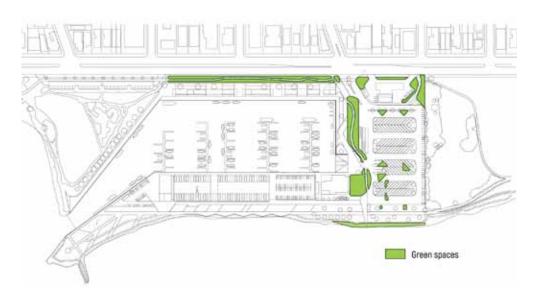
Open spaces - existing



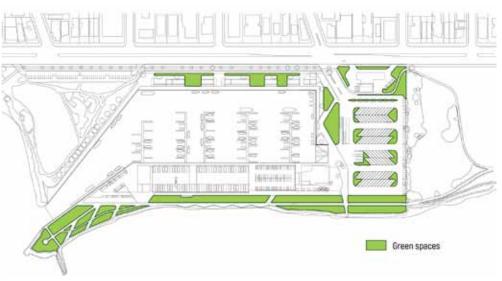
Open spaces - proposed stage 1



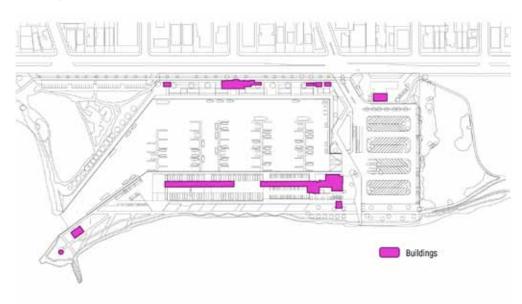
Green - current



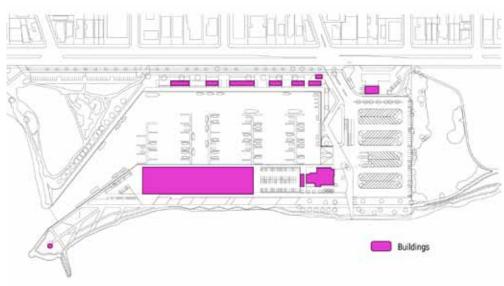
**Green** - proposed stage 1



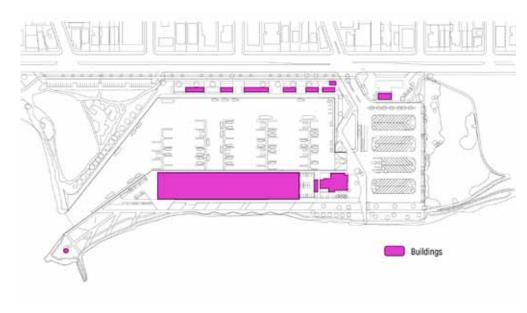
**Buildings** - current



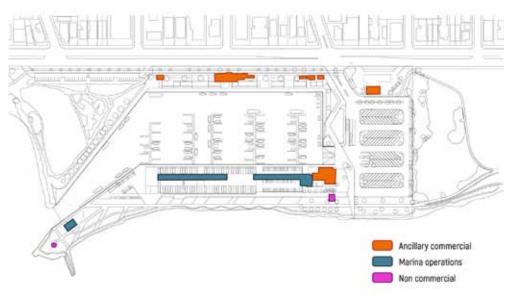
**Buildings** - proposed stage 1



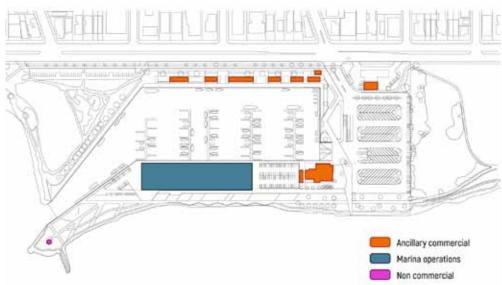
**Buildings** - proposed stage 2



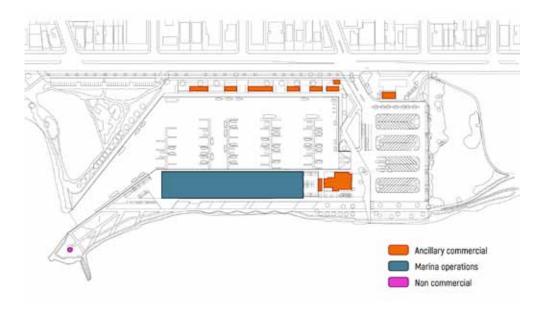
# **Building function** - current



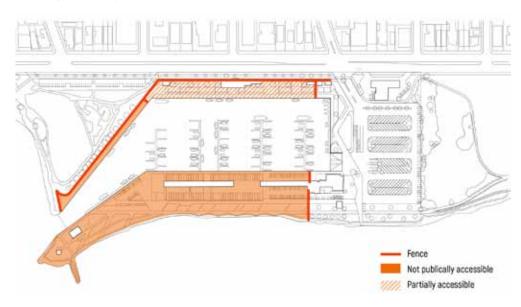
## **Building function** - proposed stage 1



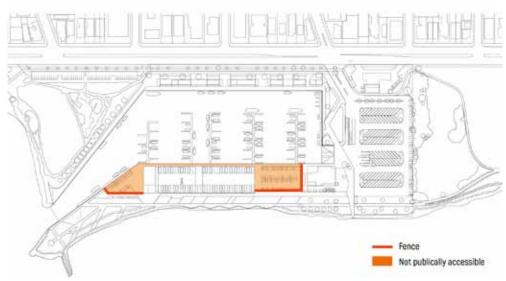
# **Building function** - proposed stage 2



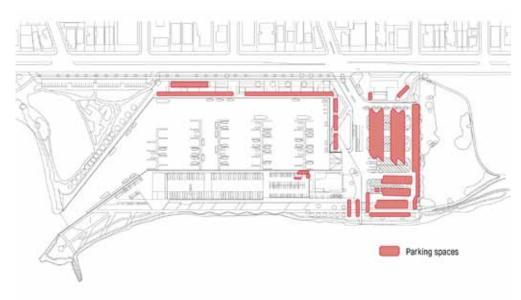
Fencing - existing



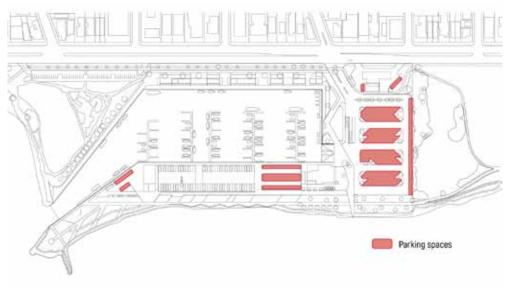
Fencing - proposed stage 1



Car parking - current



**Car parking** - proposed stage 1



# COMPLETED ENGAGEMENT ACTIVITIES AND OUTCOMES

### PROJECT STAGE

### **ENGAGEMENT PURPOSE**

#### COMMUNITY AND STAKEHOLDER ENGAGEMENT

#### GOVERNMENT ENGAGEMENT ENGAGEMENT OUTPUTS

#### STAGE 1

# Planning for the project

Project introduction

- Introduced stakeholders and community members to the project.
- Built community and stakeholder interest in participating in future engagement.
- Introduced the project through Council website and Divercity magazine.
- Established an email database of interested community members and stakeholders.
- Conducted intercept surveys at the Marina to inform the opportunities and constraints paper.
- Initial meetings with Victorian Government agencies to introduce the project and agree on a working relationship.
- Engaged with City of Port Phillip internal stakeholders including Councillors in planning the approach to the project.
- Community and key stakeholders informed of the Project Approach.
- Feedback about community members' experience of the marina site from intercept surveys recorded and reviewed.

#### March 2018

### STAGE 2

Identifying the site vision and objectives Consultation on opportunities and constraints for the site to inform site vision and objectives

- Built stakeholder and community understanding of the opportunities and constraints.
- Sought feedback on the draft site vision and objectives.
- Set the scene for Stage 3 engagement.
- Sought feedback from community and stakeholders on the draft vision and objectives and
  ideas for how to make St Kilda Marina a great place through a four-week consultation period,
  using an Opportunities and Constraints Paper to inform the community and stakeholders
  about the site, case studies and Marina viability.

Between 30 April and 30 May 2018 the following community engagement activities occurred:

- Two community pop-up sessions in St Kilda and Elwood
- St Kilda Marina Project Community Open Day
- Community drop-in session
- Survey tool on Council's Have Your Say
- 425 community members actively participated via either face-to-face events or via the online survey tool.
- Advertised the expression of interest process for community members and stakeholders to participate in the Community Panel for Stage 3.

- Established a working group of Council and Victorian Government officers to be consulted through each stage of the project.
- Continued to work with officers from DELWP to undertake a review of government and legislative requirements for the project.
- Meetings with Victorian Government ministers as planning progressed.
- Engagement report summarising key feedback themes
- Feedback used to refine and finalise the site vision and objectives.

### June 2018

#### STAGE 3

# Setting the parameters

Iterative engagement to test options for the site

- Iteratively tested ideas and solutions for the site for suitability against the site vision and objectives.
- Worked with a community representative panel to explore and test options.
- Broader community engagement provided input into the decisions being explored by the community representative panel.
- See item 8.4 for more information about the Community Panel.

- Recruited a representative sample of community members and key stakeholders through an expressions of interest process to participate in a community representative panel.
- Twenty-four community members were recruited with one person deciding not to continue at the beginning of the first session.
- Panel members met on six separate occasions.
- Panel members worked with urban design, property, commercial and sustainability advisors to explore potential options for the site and test them against the site vision and objectives.
- Between 21 September and 7 October 2018, the wider community were invited to share their feedback on the ideas being explored in the Community Panel workshops.
- In total, 368 people completed the survey.
- A community drop-in session will be conducted following the endorsement of the Site Brief at an Ordinary Meeting of Council.
- Continued working group meetings with officers from Victorian Government agencies on the options being explored through the panel process.
- Continued to work with officers from DELWP to undertake a review of government and legislative requirements for the project.
- Meetings with Victorian Government ministers as planning progressed.
- Engagement report summarising key feedback themes and describing options supported and not supported by community, stakeholders and government.
- Updated design criteria forming the basis of the Site Brief to guide the future site development based on working sessions with community and stakeholders.

#### April 2019

